Socioeconomic Variations Characterization

Evaluation of socioeconomic variations was conducted for completeness. Under section 1508.14, CEQ regulations for the implementation of NEPA state that economic or social effects are not intended by themselves to require preparation of an EIS. In fact, the CEQ guidelines provide no specific thresholds of significance for socioeconomic impacts, which are considered to be indirect or secondary. Support for this task provided by ICF focused on evaluation for environmental justice indicia and is discussed in the previous section. See Attachment G.

The original EISs used the classic Socioeconomic Impact Assessment (SIA) as described in *Guidelines and Principles for Social Impact Assessment* (U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service, 1994) to evaluate the impacts of the SPR based on factors utilized to assess the socioeconomic impacts of all other "short-lived" energy projects. The classic SIA model was predicated on distinct construction, operation, and decommissioning phases of a fixed term (e.g. 20 year) project. Assumptions such as a "boom" during the short-lived construction, a "lighter, less demanding" operations phase, and a "bust" following decommissioning are part and parcel of the application of an SIA. However, the SPR has outlived its original term and is projected to continue to 2020 or beyond; thus, such a model is not applicable to evaluate socioeconomic impacts to communities in close proximity to SPR facilities now.

SPR facilities, while sited in or near rural communities, maintain reasonable proximity to more urban areas and were not designed to be a facility, the siting of which would overwhelm a smaller community. Such design is consistent with historical interaction between socioeconomics and industrialization in the Gulf Coast region. Historically, the demography of the Gulf Coast in general is not "project-driven" and industrialization has occurred independent of urbanization. Industries have been purposefully sited outside of large cities. The result of this has not been urbanization of the affected rural area, but development of much smaller "ribbon" communities (Luton and Cluck, 2003). Typically, workers do not settle in 'ribbon" communities, but commute from larger towns and cities. This trend is still visible in areas adjacent to the SPR sites.

It is these characteristics that are juxtaposed with the most basic premise of the Classic SIA and make it clear that systemic demographic effects in the Gulf Coast region are not project-related and, thus, the classic SIA sheds no light on them (Luton and Cluck, 2003). Even more specifically, the recent conclusion that the

effects of oil and gas related industry on the Gulf Coast are systemic in nature further evidence the hypothesis that oil-involved communities along the Gulf Coast experience industry not as discrete projects, but as a continuation of business (Luton and Cluck, 2003).

Such is true of the communities in which the SPR facilities have been sited. The population adjacent to the sites has evolved and adjusted in accordance with much larger, systemic trends – not in accordance with projects and / or industry. Thus any effects exerted by the SPR, a small-scale long-term project, would be negligible contributions in comparison to larger systemic trends, and further diluted as they are dispersed over two decades. Communities that may have experienced minimal socioeconomic impacts during the construction phase have long since been 'restored.' In the oil-affected Gulf Coast, a dynamic environment, restoration is a relative principle, as the 'baseline' is non-existent because all communities are and have been affected since the 1960's. Hence, for the SPR and other oil and gas related industry that has developed in this area, closure and / or socioeconomic impacts are impossible to discern for individual locales. Data was, however, analyzed for completeness.

Site-Specific Variations

All SPR sites are located near the Gulf Coast in LA and TX. Each SPR site is unique relative to its surrounding environment especially population dynamics and other socioeconomic factors. Clearly, a site-specific evaluation of each site based on the socioeconomic variations applicable to that site is necessary. The socioeconomic variations in areas adjacent to each site were evaluated based on a comparison of the baseline conditions evaluated in the original EIS to the current socioeconomic conditions. Variations in the socioeconomic characteristics of locales were compared to variations in the socioeconomic characteristics of the state in which the site was located. Effects potentially exerted by other factors, i.e. proximity to urban areas, etc. were also considered. These SPR site-specific variations are addressed in the individual checklists in Attachment J. Calculations and supporting documentation are provided in the Socioeconomic Variation Worksheets (Attachment O).

Socioeconomic variations were noted in all adjacent areas; however, it was determined that any effect these small facilities could have on the areas is not significant relative to other potential sources in each adjacent area; e.g. in LA, suburbanization or growth of outlying parishes was found to result primarily from "white flight" and was not a byproduct of oil and gas or other industrial development (Luton and Cluck, 2003). As well, other studies have concluded that locales affected by oil and gas related activities exhibit similarities, but

trends or effects cannot be attributed to a specific source, i.e. there is not a "single story" (Wallace et al.) No further analysis was necessary as initial assessment resulted in a determination that any influence exerted by each site was negligible.

Programmatic Variations

While it is unlikely for the SPR program to affect socioeconomic variations even when considered in its totality, that the sites are concentrated within the Gulf Coast region indicates a potential for production of cumulative and/or secondary socioeconomic impacts that would require additional evaluation. While a review of the programmatic EISs are not required, whether the original programmatic EISs still adequately address the potential impacts of these cumulative SPR sites must be evaluated for completeness. The socioeconomic variations in areas previously evaluated were determined via a comparison of baseline conditions as evaluated in the EISs to the current socioeconomic conditions. These variations were the evaluated by comparison to variations in the socioeconomic characteristics of the state in which the site was located. Effects potentially exerted by other factors, i.e. proximity to urban areas, etc. were also considered. These SPR programmatic variations are addressed in the Programmatic checklist in Attachment J. Calculations and supporting documentation are provided in the Socioeconomic Variation Worksheets (Attachment O).

Socioeconomic variations were noted; however, it was determined that any effect these small facilities would have on the region would be negligible relative to other potential regional sources exerting effects. This is corroborated by a comparison of the total budget of the SPR project for the year 2000, $120,800,315, and the combined Gross State Products (GSP) of the affected states, Louisiana and Texas, for the year 2000, $912,571,000,000. The yearly budget of the entire SPR project is only 0.013% of the GSP of the affected states combined, only 0.08% of the GSP of Louisiana and only 0.016% of the GSP of Texas. Based on this comparison, it is clear that the SPR project would have only negligible effects.

It is likely, however, that potential effects would be obscured by larger, more systemic trends and, indeed, assessment of regional trends was very difficult due to the effects of confounding sources. Ultimately, analysis concluded that the most likely effect exerted by the SPR program, if any, would be a beneficial one. Benefits to the economy of affected states would result from SPR operation in the region providing residents with stable employment, income, and non-monetary compensation such as health insurance, while producing negligible, if any, environmental impacts.

Conclusion

Socioeconomic variations can be expected to occur over 20 years especially in more rural communities as urban areas become overdeveloped and overcrowded. Variations in the socioeconomics of the locales and the Gulf Coast region have been studied extensively by the Minerals Management Service to determine the effect of oil and gas related industry on affected areas. Conclusions of the MMS studies cited above are similar to the conclusions of this analysis. Refer to http://www.mms.gov/eppd/socecon/index.htm for more information on the social science program for the Gulf of Mexico Region. Specifically, larger trends were noted to have influenced most of the variations, i.e. suburban sprawl, urban flight, etc., and any project-related influences were negligible and not differentiable from systematic trends.

Analysis was conducted at the state level for each affected locale and conclusions regarding comparability to overall state trends. Often, the local trend was comparable to the corresponding state-wide trend and the effects of other local socioeconomic characteristics considered during the analysis could be discerned as influential. Ultimately, the analysis concluded that socioeconomic impacts were considered in the original and supplemental EISs and that any socioeconomic effects exerted by the SPR sites and/or the SPR project were within the scope evaluated and negligible in comparison to larger, systemic trends in LA and TX. Hence, socioeconomic impacts resulting from operation of SPR sites and/or the SPR project could not provide a foundation for preparation of a new EIS or SEIS.